



VST ENVIRO-LOC™ EVR Total System Solution

NOVEMBER 26, 2007

PRODUCT BULLETIN: EVR 1

Executive Order VR-203

*Vapor Systems
Technologies, Inc.*

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Letter from Glenn Walker

I am so pleased to be able to formally announce the availability of the VST Total Balance EVR System. We received our Executive Order, VR-203, from CARB on November 5, 2007.

In the days since receiving our EO, in addition to all the congratulatory calls from our distributors, we've also received some calls with questions about the retrofitting to EVR process; therefore, I've put together an informational bulletin that will provide answers to the most common questions we've been hearing.

Please do not hesitate to call Scott Brown or me with your questions or comments. We always appreciate hearing from you.

Sincerely,

Glenn K. Walker

Glenn K. Walker
President
Vapor Systems Technologies, Inc.

Features and Benefits

- 1) Immediate CARB Compliance
- 2) Immediate Installation
- 3) Easy Retrofit
- 4) Throughput
- 5) Low Cost of Ownership
- 6) Processor Location Flexibility
- 7) Lower Overall Emissions
- 8) Product Availability

Immediate CARB Compliance

- When you install a VST EVR Total Balance System, you immediately meet the CARB regulations for system back pressure (assuming that your current dispenser meets the CARB requirements), including the installation of ISD flow meters and vapor shear valves.

Immediate Installation

- Today, you can put in an entire VST EVR Total Balance System.
- With a compatibility letter, you can install any VST EVR hanging hardware component (nozzle, hoses, and breakaways) on any balance system.
- We expect CARB to have the compatibility letter ready by 12-15-07.

Easy Retrofit

- When you install a VST EVR Total Balance System, you immediately meet the CARB regulations for system back pressure, including the installation of ISD flow meters and shear valves.
- The VST curb and whip hose are large diameter (low back pressure), which provides maximum flexibility in retrofitting any balance dispenser, including the installation of ISD flow meters and vapor shear valves.
- The VST front-end hardware will fit on any existing balance dispenser, so there's no need to modify a balance dispenser.
- The VST balance system does not trigger major modifications to the GDF; therefore, the components can be installed incrementally.
- The Processor (with PMC software) and the Hanging Hardware assembly may be installed immediately.
- There are multiple mounting options for the Processor giving your installation flexibility.
- ISD can be phased in at a later date.

ISD DEADLINE	
Throughput	Deadline
Less than 600,000	ISD not required
Greater than 600,000, but less than 1.8 million	Sept. 2010
Greater than 1.8 million	Sept. 2009

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Throughput

- If you have a GDF with a throughput of less than 600,000 gallons that is either a new installation or is undergoing a major modification, you are required to install a complete EVR system.
 - ▶ NOTE: CARB's definition of a major modification to a GDF is when replacing the dispensers and/or changes to 50% of the underground piping.
- CARB and CAPCOA encourage upgrading the balance system to EVR ASAP!
- VST EVIRO-LOC™ Total System Solution (VR-203) may be installed at facilities with gasoline throughputs greater than 600,000 gal/yr as long as an EVR Phase II system with ISD is installed by the ISD deadline.
- Check with your local air district to see if this option is available for your facility.

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For specific engineering details about the system, see the Executive Order located at:

www.vsthose.com

or

<http://www.arb.ca.gov/vapor/eo-evrphaseii.htm>

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Low Cost of Ownership

- The VST balance system does not trigger major modifications to the GDF; therefore, the components can be installed incrementally.
 - ▶ Installing the system in stages allows you to better control your cash flow.

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- Hanging Hardware is a robust, but simple design, with no A/L monitoring:
 - ▶ Fewer alarms
 - ▶ Lower maintenance costs
- VST's EVR balance nozzle is constructed in a simple, yet durable and long-lasting design, resulting in lower maintenance.
- VST will offer a high-quality re-built nozzle program:
 - ▶ All new parts installed in casting
 - ▶ Same extended warranty as a new nozzle
- Front-End kits allows GDF owners to make their own field replacements
 - ▶ Saves a service call
 - ▶ Extends the life of the equipment
- There are no vapor pumps.
 - ▶ Nothing to replace, resulting in reduced maintenance
 - ▶ No energy costs, resulting in energy savings of nearly \$200.00 per month
- Membrane has an unlimited capacity for maintaining the UST pressure.
 - ▶ No limit to the number of fueling positions
 - ▶ Overcomes bad fuel drops
 - ▶ Compensates for winter/summer fuel (change in Reid Vapor Pressure)
 - ▶ Manages barometric pressure fluctuations
 - ▶ Eliminates vapor emissions created by UST temperature fluctuations
- Processor is very efficient and runs only minutes per day: some days it doesn't run at all.

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Processor Location Flexibility

- Can be mounted:
 - ▶ On the ground
 - ▶ On the roof
 - ▶ On a canopy

Lower Overall Emissions

- Because the VST EVR Total Balance System is so efficient, the GDF will experience lower overall emissions.
- CARB testing demonstrated the system to be >98.5% efficient.

Product Availability

Product	Date
EVR Hanging Hardware Components	12-01-07
EVR Three-Phase Processor w/PMC	12-01-07
EVR Single-Phase Processor w/PMC	12-15-07 (projected)
EVR Three-Phase Processor w/ISD	02-15-08 (projected)
EVR Single-Phase Processor w/ISD	02-15-08 (projected)

Contractors

Contractors: Who are they?

- VST permits only factory-trained Authorized Service Contractors (ASC's) to perform work on the VST EVR system.

Contractors: Where do I find ASC's?

- VST ASC's may be found on the VST website at www.vsthose.com
- Website update: 12-15-07 (projected)

Contractors: Where can I get contractor training?

- If you want to become a VST ASC, go to the VST website for a list of the locations throughout California who offer the training.
- Website update: 12-15-07 (projected)
- Training will begin in January, 2008.

<p>Existing Inventory</p>	<p>Inventory of Non-EVR Components (hoses, nozzles, and breakaways)</p> <ul style="list-style-type: none">• VST recommends that distributors begin managing the inventory of their non-EVR equipment by converting to EVR equipment as rapidly as possible so that by mid-year, 2008, inventory is 100% EVR.• Although you are permitted to use non-EVR components until April, 2009, non-EVR components lose their value every day.
<p>Warranty</p>	<p>15 months from date of shipment</p> <ul style="list-style-type: none">• Hanging hardware (nozzles, hoses, breakaways)• ECS Membrane Processor
<p>The Future</p>	<p>ECS II</p> <ul style="list-style-type: none">• Simple single vent-riser solution• Anticipated CARB approval: 4th quarter of 2008 